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JPRS L/10202

22 December 1981

Sub-Saharan Africa Report

FOUO No. 754



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CAMEROON

BUDGET OUTLINED FOR 1981-1982

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 pp 2699-2670

[Text] In our 24 July issue (page 1945), we presented the main lines of the United Republic of Cameroon's budget for the 1981-1982 fiscal year (1 July-30 June). This budget was the subject of the 81/01 finance law of 29 June 1981. The following article gives a detailed analysis of it.

1 -- 1980-1981 Fiscal Year

Receipts for the past fiscal year amounted to 249 billion CFA francs and expenditures to 246 billion, compared with the planned 186 billion, an overrun of 60 billion for expenditures (up 32.2 percent).

The increase in receipts stems, first of all, from the fact that certain headings had a better yield. For example, taxes and related duties yielded an additional 23 billion (67.7 billion compared with the anticipated 44.7 billion). Likewise, indirect duties and receipts from services produced more, with a total of nearly 10 billion. On the other hand, customs duties yielded slightly less: 91.9 billion compared with the estimated 95.4 billion.

The other source of the increase in receipts is the carryover of commitments: 34.9 billion, including 14 billion in credits carried over for equipment. In other words, the authorities did not manage to follow the ambitious programs they drew up for the equipment budgets. In fact, various important projects are delayed or halted, which worsens bottlenecks.

For spending in 1980-1981, some expenditures are lower than expected, for example, for the Office of President, the departments of the prime minister, but social affairs as well. Others are higher, particularly the increase of 3 billion for national education, 434 million for the armed forces, 700 million for health, and especially, 78.5 billion in regular expenditures for government agencies instead of the planned 15.4 billion. It should be noted that less than expected was spent for equipment: 42 billion instead of the announced 57.2 billion.

2 -- Provisions Relating to Resources for the 1981-1982 Budget

In these provisions, one notes the following main aspects:

- a) a strengthening of the powers of the president of the republic. He may intervene by order in order to modify and adapt the domestic tax system so as to meet

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exceptional circumstances. Furthermore, he is authorized by decree all or part of the credit results of state enterprise so as to allocate them for the completion of priority development operations. Actually, it would not appear that many of them have credit results, given the present state of affairs.

b) an increase in taxes, penalties and nontaxable minimums. First of all, the minimum due is payable by companies on 31 July instead of 15 September. Second, the minimum, nontaxable income goes from 5,000 to 15,000 CFA francs per month for domestics.

Likewise, the levels of the brackets for the progressive surtax are increased. For example, the nontaxable bracket goes from 0 to 300,000 CFA francs instead of from 0 to 200,000. The rate is 25 percent for brackets from 1.1 to 1.5 million, instead of 750,000 to 1 million, but while the progressive surtax stopped at 45 percent for brackets over 3 million, it now rises to 50 percent between 4 and 5 million, then 55 percent between 5 and 6 million, and 60 percent over 6 million.

The tax minimum now goes from 2,400 to 3,000 CFA francs, plus the communal centimes.

Other duties are increased or specified:

Taxes on benefits in kind granted by enterprises to personnel (housing, domestics, water, electricity, food) are raised. For example, the scale goes to 10 percent for housing instead of 5 percent.

Taxes on real estate transfers subject to certain liabilities or free are figured, when paid late, on the basis of the last transfer plus 10 percent per year.

Penalties are increased or made heavier if the proper statements are not filed or if the taxes are not paid on time.

Transfers and assignments of shares in certain companies (for example, for the construction and management of buildings) or transfers and assignments of share as a result of a gift or death are no longer exempt from stamp and registration duties.

Various taxes (example: registration of orders of the Supreme Court, inclusion in the Commercial Record, registration of a judgment, a will, and so on) are doubled.

A special tax label has now been created for the two drive wheels (2,000 CFA francs, a uniform rate that does not take power into account). On the other hand, it is 2,000 CFA francs per horsepower for other vehicles, with a 50-percent reduction for vehicles over 4 years old.

Export duties on certain cotton fabrics made in Cameroon and on fresh bananas remain suspended (except that the specific tax for bananas goes from 750 to 1,000 CFA francs a ton).

Finally, duties and taxes on hunting permits, forestry permits and on the making of gold objects are increased.

On hunting permits, the increases mainly involve residents and nonresidents and, to a lesser degree, nationals (except slaughtering taxes, which also go up, but less

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than the others). Hunting duties increase between 25 and over 100 percent. For example, the big game permit goes from 20,000 to 40,000 CFA francs for residents and from 40,000 to 60,000 for nonresidents. Capture taxes are created or increased for most animals, for example, 50,000 CFA francs instead of 10,000 for an ostrich. Finally, slaughtering taxes: It will henceforth cost 60,000 CFA francs instead of 20,000 for a resident to kill an elephant and 100,000 instead of 30,000 for a lion.

Duties and taxes on forestry permits go up: The reforestation tax moves from 15 to 20 CFA francs per hectare per year. Transfer duties go from 30 to 50 CFA francs per hectare and the guarantee from 20 to 40 CFA francs per hectare. Duties on exported rough timber goes from 10 to 15 percent of market value.

On the crafting of objects from gold: The authorization is now 375,000 CFA francs instead of 50,000. Annual renewal costs 120,000 CFA francs instead of 25,000. This measure is particularly aimed at Senegalese craftsmen, but also at nationals and other foreigners.

3 -- 1981-1982 Budget: Receipts and Expenditures

Receipts in the 1981-1982 budget are as follows (in billions of CFA francs):

<u>Source</u>	<u>Amount</u>
Direct and related taxes	146.772
Customs duties and taxes	122.451
Registration, stamp and guardianship duties	9.622
Revenue from state lands	1.012
Receipts from services	22.113
Various receipts, misc. deductions	8.021
Total	310.00

Spending is on the same level (see table).

As indicated by Basile Emah, general reporter of the finance committee (CAMEROON TRIBUNE, 28-29 June 1981), this budget is 26 percent higher than the previous budget, while during the year coming to a close, Cameroon's gross national product increased only 19.1 percent, compared with 21.1 percent for 1979-1980. This slackening is mainly due to slower growth in the primary sector and especially in the building and public works branch. For the new 1981-1982 budget, more sustained growth is expected, along with resources from the new provisions.

Operating expenditures go from 163.2 to 199 billion (up 22 percent), while equipment expenditures go from 82.4 to 111 billion (up 34.7 percent).

Among the operating expenditures, the most spectacular growth involves scientific research (up 48.3 percent), followed by services attached to the Office of President (up 37.9 percent), which thus becomes the third-ranking "ministry" in size after National Education and the Armed Forces, which now pass up the ministries of Equipment and Health. This was not the case in preceding budgets. Other major and reassuring growth is in Social Affairs (up 30 percent) and Labor and Social

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Welfare (up 29.5 percent). Other operating expenditures have increased more slowly than the national average of 22 percent, except for National Education (up 22.9 percent). In other words, this growth is not exceptional.

For equipment expenditures and especially for equipment projects and contributions and subsidies (total 82 billion), one may fear lest the previous difficulties continue -- that is, that delays will pile up, requiring carryovers.

Finally, the following provisions should be noted:

The Cameroonian Land Bank will henceforth enjoy the Treasury privilege to recover its debts. In other words, the contribution of wage earners to the Land Bank is deducted from basic pay, like other taxes, using the DIPE (employed personnel information document).

In addition, the government is "authorized to negotiate and eventually arrange... loans whose amount is set at 75 billion CFA francs," including 15 billion between 1 and 10 years and 60 billion over 10 years.

Finally, the government is authorized to grant, during this fiscal year, state backing in the amount of 100 billion for loans to public establishments, joint ventures or public collectives.

Cameroon's 1981-1982 Budget (in billions of CFA francs)

Operating Budget	Billions of CFA Francs CFA Francs	Increase Over 1980-1981 (%)
A.		
1. Office of the President	6.89	18.6
2. Services attached to Presidency	10.9	37.9
3. National Assembly	1.7	11.9
4. Departments of the Prime Minister	.45	12.1
5. Economic and Social Council	.23	6.8
6. Foreign Affairs	2.8	21.7
7. Territorial Administration	6.2	10.7
8. Justice	2.5	14.2
13. Armed Forces	22.8	18.7
15. National Education	28.9	22.9
16. Youth and Sports	2.4	22.2
17. Information and Culture	1.7	16.2
20. Finance	7.5	15.3
22. Economy and Planning	2.2	22.2
23. Tourism	.5	12.3
24. Scientific Research	.5	48.3
30. Agriculture	5.5	13.7
31. Livestock raising, fishing and animal industries	1.7	17.1
32. Mining and Energy	.7	15.3
36. Equipment	10.6	13.4
37. City planning and housing	6.2	12.7
40. Public Health	10.2	13.3

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41. Labor and Social Welfare	.9	29.5
49. Social Affairs	.9	30
45. Post Office and Telecommunications	5.1	10.7
46. Transport	1.1	8.9
50. Civil Service	1.4	11

Total A 143.5

B. Transfer Expenditures

55. Domestic operating debt	5.6
60. State intervention	27.1
65. Regular expenditures	22.6

Total B 55.4

Total A + B 199

Public Investments

90. Equipment projects	69.1
91. Participation in corporate stock	2.79
92. Endowment to buy back concessions	PM [expansion unknown]
93. Contributions, subsidies, aid funds	13
56. Public debt linked to investment	26

Total Public Investments 111

Total Operating Budget and Investments 310

[original numbering]

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CAMEROON

AGREEMENT WITH GDR ON BILATERAL TRADE, PROJECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2767

[Text] The first session of the grand commission of Cameroon and the German Democratic Republic (GDR) was held in Yaounde from 13 to 16 October. The Cameroonian delegation was headed by Pierre-Desire Engo, deputy minister of economy and planning, and the East German group was led by Clausnitzer Fridmar, deputy minister of foreign trade.

In order to develop bilateral trade, Cameroon will send a collective exposition to the Leipzig (GDR) Spring Fair in 1982 and will promote direct contact between its exporters and the proper foreign trade enterprises in the GDR.

Concerning cooperation, projects studied by the two nations within the framework of Cameroon's Fifth 5-Year Development Plan concern training, health, school and road infrastructures, industry, agriculture, livestock raising and fishing.

There are plans for the construction of three brick works using the clay deposits in the regions of Bamenda, Yaounde and the Northern Province, in order to carry out Cameroon's vast housing program.

For livestock raising, the two sides agreed to carry out three pasture irrigation projects in different regions of the country (north, east and northwest). The studies needed for Northern Province are available. Cameroonian experts will visit the GDR and will personally visit cattle fattening ranches. Following their visit, Cameroon will inform the GDR of its concrete needs for such ranches.

In addition, there are plans to equip the seven provincial branches of the National Center for Studies and Experimentation in Agricultural Mechanization (CENEEMA) with mobile units and agricultural machinery (tractors, equipment to work the ground, reapers and harvesters, mobile repair shops).

In order to maintain rural trails, Cameroon will receive East German equipment to equip some 55 subdivisions. Negotiations will be undertaken to provide electrification and rural telephones.

Cameroon will buy the equipment needed for its educational establishments from the GDR and will be able to improve the level of specialized training (cold-storage techniques, wood processing, machine construction, electrical techniques, automobile mechanics, civil engineering, sanitary plumbing), as well as training of

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paramedical personnel and doctors. Finally, both sides manifested their interest in cooperating on the construction of a cement works, a caustic soda production unit, a chocolate factory and an industrial slaughterhouse.

Up until 18 December 1980, the date of the signing of the economic, industrial, scientific and technical cooperation agreement concluded between the two countries, the United Republic of Cameroon and the German Democratic Republic had been linked by a commercial agreement since 1978. It was in keeping with this agreement that the Cameroon-GDR joint commission was set up. Its second session will be held in November 1982 in East Berlin.

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CAMEROON

BRIEFS

FIFTH PLAN--The Economic and Social Council of Cameroon met on 12 October, summoned by President Ahidjo. This was the first regular session of the 1981-1982 fiscal year and was to last 2 weeks. The task of the Council during the meeting was to examine the Fifth Plan, which will be 60-percent financed by the public sector and 40 percent by the private sector, Cameroonian Minister of Economy and Planning Youssoufa Daouda said. The first session was the occasion of the election of the Council's new officers, who are, in addition to the president, Felix Sabal Lecco, who was named by decree, the two vice presidents: T. Bella and Tum Tafou Isiah. Finally, four study sections were set up: General economic, planning and finance section: president, Prof Wandji Roland; reporter, Ngosso Ebenezer. Production, trade and tourism section: president, Dr Bol Alima Gibering; reporter, Otabela Hubert. General affairs section: president, Dr Yotnda Pierre; reporter, Dakole Daissala. Social and cultural affairs section: president, Dr Abdoulaye Souaibou; reporter, Mrs Ekotto Alvine. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2700] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

KRIBI IRON DEPOSIT DEVELOPMENT--A partnership agreement concerning development of the Kribi iron deposit was signed in Paris on 20 October 1981 between the government of the United Republic of Cameroon, represented by the minister of mines and energy, the BRGM [Geological and Mineral Prospecting Office] (France, Krupp (FRG), and GFM [expansion unknown] Partners Limited (United States). The purpose of the agreement just signed is the establishment of the Iron Study Company of Cameroon (SEFERCAM), in charge of carrying out prefeasibility studies for 18 months, effective with the signing of the agreement. The studies should make it possible to define the technical, financial, economic and commercial conditions for completion of an overall iron and steel project in Cameroon. The cost of the studies and work to be undertaken during the period considered, estimated at 410 million CFA francs, is distributed among the different partners prorated on the percentage of interest which each holds in SEFERCAM: Cameroonian Government (35 percent), the BRGM (31 percent); GFM (24 percent) and Krupp (10 percent). During the same ceremony, a technical assistance contract was also signed by SEFERCAM and the BRGM, which agreed to provide technical supervision of the execution of programs and work planned. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877 30 Oct 81 p 2768] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

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CENTRAL AFRICAN REPUBLIC

OPPOSITION LEADER DISCUSSES ATTITUDE TOWARD NEW REGIME

Paris AFRIQUE-ASIE in French No 252, 9-22 Nove 81 pp 15, 16-18

[Article by Ginette Cot: "Abel Goumba: 'Only Democracy....'"]

[Text] The current phase of military rulers can only be temporary. The impact of our movement can only be judged in the context of the electoral farce organized by Dacko. Most political leaders pay their militants--which we do not do. We are feared because our honesty cannot be questioned. Poverty and dictatorship have corrupted the people. Central Africa has bred mediocre and contemptible regimes. Socialist France should only agree to help under certain conditions.

Restore the country's economy, which is in such disastrous disrepair, and create conditions in which real democracy can flourish: such is the mission which General of the Army Andre Kolingba, president of the Military Committee for National Recovery (CMRN) that came to power in Bangui 1 September, declares he has been given. According to the new Central African head of state, who says the army has no intention either of "confiscating power" or of maintaining a "military dictatorship," the CMRN (which has 23 members) will not have fulfilled its mission until it has put into operation "the machinery of a sound economy that will make possible a decent standard of living."

None of this can be accomplished without sizable external contributions. And the Central African treasury has an immediate need of an estimated Fr CFA 60 to 70 billion to put the country on the road to recovery and "feed the people." Gen Kolingba, who also launched an appeal for African "brotherliness," says that Bangui is ready to receive any form of assistance, whatever its source. But, as we know, the new regime says it wants to maintain special relations with Paris and even would like to see the beginning of increased economic cooperation between the two countries.

On the French side, while noting that a prompt restoration of democratic processes in the country is still being awaited, the word is that we will continue to assist the Central African Republic in meeting its most urgent obligations, in accordance with the conditions defined in June 1981 during the visit of the prime minister of the previous government. There was never any question of breaking off relations, according to Acting Cooperation and Development Minister Jean-Pierre Cot, who confirmed that a French mission would be sent to Bangui as scheduled this October to

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examine "the preconditions for the country's economic and financial recovery, in order to assist the country in recovering its political unity and to re-establish more or less normal conditions of administrative and economic life."

"We have taken cognizance of Gen Kolingba's statements that he intends to restore democratic processes in the shortest time possible," stressed the French minister, according to whom "the current regime can only be temporary, for a military regime is inherently a failure."

According to Gen Kolingba, the army did not seize power out of "personal or egoist ambition" but out of "duty to the nation," and the number one concern, it seems, is to put an end to the endemic poverty and arrest the process of economic regression.

"We have gone through a difficult experience, and the Central African people are not ready to begin again. For the moment, we must relax people. We must be given the time to feed the people before thinking of democracy," said the new head of state, when asked about a possible return to civilian government. "Everything will depend on the economic situation."

Doubtful Conjuncture

While the idea of organizing free elections may not be out of the question on principle, Gen Kolingba nevertheless maintains that he could not here and now predict when such might happen: "In 6 months, in a year perhaps, I do not know," he said. "But, in any case, it will not be right away."

For the time being, it can be observed that the new regime seems prepared to go into battle to "clean up ethics" and reduce the government's extravagances--which appear arrogant when one knows that the budgetary deficit this year amounts to more than Fr CFA 10.5 billion, and that some external assistance has been diverted from its intended destination.

Thus, after the arrest of several directors of the Central African National Development Bank (BNCD) accused of diversion of public funds, Gen Kolingba announced on 23 September in a radio speech that "any failures that turn up in the administration of public business" will be the subject of "extremely rigorous" sanctions. "Everyone in the government who has any authority whatsoever," he said, "must apply himself to more orthodox administration of the public funds, which are the common patrimony of all Central Africans."

On the other hand, out of a twofold concern to make the bureaucracy "more effective and more dynamic" and to reduce governmental expenses, two-thirds of which were devoted to paying the salaries of an excessive number of employees, more than 500 cadres will be removed from the civil service rolls between now and January 1981. Those removed will be officials who have 27 years of active service or who have reached the age of 55, as well as "dubious, incompetent, dishonest, drunken and undesirable" employees. By contrast, some 150 teachers will be added to the rolls of governmental agencies. "On the one hand," said the minister for the civil service, labor and state insurance, Brig Gen Xavier Sylvestre Yangongo, "there is a plethora of unproductive employees and, on the other, new cadres need to be assimilated. It is thus of fundamental importance to move ahead with a purge and forced early retirement."

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Other reductions in force are also anticipated, to affect students abroad, and officials in diplomatic posts overseas or working in international organizations. The military rolls may also be decreased by 1,000 people between now and the end of the year...

If these early measures reveal a real determination to reform things, it can be predicted that they will not fail to cause grumbling and gnashing of teeth in some circles. Also, one of the questions being asked is how and on what basis the new government expects to get the support it would need to go very far along that road.

It is at this still very doubtful conjuncture--in which there are still many questions unanswered, before the intentions and outlines of the CMRN's recovery programs have emerged--that Dr Abel Goumba, president of the Ubangi Patriotic Front-Labor Party (FPO-PT), an organization created in 1976 to oppose the Bokassa dictatorship and one which as everyone knows played a decisive role in fomenting the student revolt of January 1979 in Bangui, delivers here his thoughts about developments in the Central African Republic and the future of his country.

The president of the FPO-PT, who is preparing to return once and for all to Bangui, where he will teach at the university, and whose presence abroad in recent days has aroused comments that, at the most charitable, would have to be described as glib and hasty, also uses the interview to dispel any doubts that may still exist as to his plans and ideas about the struggle to be carried out to help his people achieve free will and become the sovereign rulers of their own destiny.

For Dr Abel Goumba, there is no doubt that the departure of Bokassa's successor from the Central African political scene is a good thing in its own right. "David Dacko's continuance as head of the country was in fact a factor engendering civil war. In the first place because, when he understood the reservations the French Government had about using the French troops on hand in Central Africa and its reservations about providing financial and economic assistance, the former head of state became frightened. So he turned toward the United States, as evidenced by his plan to contact Egypt or the Sudan to obtain troops from those countries. We know that he was even contemplating turning to South Africa. Now it is quite obvious that patriotic forces would not sit with hands folded before such maneuvers.

Vicious Circle

"In the second place, David Dacko was at the end of his rope. He had nothing more to offer anybody. He was still anxiously waiting for France to send him the money to pay the salaries of government workers. And everything was suspended. Economic movement had stopped. In a word, Bokassa's successor could not count on the army, or on the people, or on anything else.

"That is to say, his departure is a positive development. But the coming to power of the soldiers also forces us to note our reservations about the principle involved. For we have not forgotten that sad period that followed the coup of Saint-Sylvestre in 1966, and the indifference with which the people greeted the 1 September change tends to show that the traumas of the Bokassa era have not yet begun to disappear. We are all the more afraid of a dictatorship now that the the constitution and all political activities have been suspended.

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"This is why we want to believe that the military phase will only be temporary. For problems are not solved by replacing one lame solution with another. On the contrary, we think that the reason we are locked into a veritable vicious circle is because the country has been deprived of any democratic freedom for 20 years. And today, once again, by totally suppressing these democratic freedoms which, in our view, are indispensable for any real national recovery, one can only succeed in further compromising the political, social, economic and cultural future of our country.

"I think that the soliders are aware of the elements of the problem and that they will rapidly create the conditions for a return to democratic life, even if it is "guided" democracy because of fears of possible disorders, but a democratic life which is based on participation of the people in all the recovery efforts. For the country will not experience an era of development if the people are kept out of the recovery process.

"There is also another thing that disturbs us. This is the fact that seven of our militants are still in detention in a military camp, following the terrorist attack of 14 July.* Now we know that this attack has been claimed by the Idii Lala group and that our party has since been "rehabilitated," which certainly confirms the fact, if there were any need of it, the the FPO was not in any way involved in that affair. Now these militants are the subject of trifling accusations such as "being in possession of arms" or "nondisclosure" of fact... None of those are very serious.

"Finally, nothing really justifies the assertion that 1 September marked a real break with the past. At the most it amounted to a transfer of power."

[Question] On the eve of Dacko's departure, people seemed to be expecting some spectacular initiative on the part of certain sectors of the Central African opposition. There was even talk of the imminent establishment in the north of a government in which you yourself were supposed to participate. One might speculate that these preparations might not have been totally unrelated to the army's decision to take over...

[Answer] "I have never been consulted about establishment of such a government. And I have never been involved in such a scheme. For to establish a parallel government in the north would have amounted to creating conditions for the partition of the country and resulting government intervention and civil war.

"As for ourselves, we are not struggling to get power for power's sake, regardless of the means. What is important for us is the interests of the country. As an opposition leader, I have always worked openly, democratically, and in the national interest.

* They are Nditifei Boysembe Marc, Gouandjia Maurice, Saulet Hubert, Gouandjia Michel-Ange, Moskit Guy, Bilingbi Pierre and Zangato Etienne, who may be handed over to a special tribunal. At least that was the decision made by the David Dacko government. And up to now the FPO has been unable to ascertain the new government's intentions. A Paris lawyer, Frederic Weyl, is to defend the FPO militants.

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opposition leader, I have always worked openly, democratically, and in the national interest.

"What has been considered, along with the other members of the provisional political committee, was creating a national political council. In that context, we had called for a study on the possibility of establishing a government of national unity in which all the [political] forces in the country would have participated, including the military and even the people in David Dacko's UDC (Central African Democratic Union). But this project never got off the ground.

"In our opinion, doing something spectacular is not the purpose of being in the opposition. And I think that since the overthrow of Bokassa, the precipitous actions taken by certain Central African politicals has greatly contributed to complication the situation..."

Rumors

[Question] Your stay abroad, which began in July, has generated unpleasant speculation here and there. And the French press has a tendency to present you as an honest leader who would have the sympathy of the PSF [French Socialist Party] but who would be "a man with no troops." On that score, people point to the poor showing (1.4 percent) made by the FPO during the presidential elections last March. And this is compared with the popularity which certain other politicians like Patasse have gained, despite their long history of collaboration with Bokassa. What do you think of all that?

[Answer] "I think that the people still do not understand the situation very well. As everybody knows, I did not come to France for political reasons. As I have already had occasion to say several times, I resigned from the World Health Organization (WHO) and my family continues to live in Cotonou, where I was posted. So I left Bangui in a very ordinary way, last July, in order to resolve some personal problems, still pending, which concern the repatriation of my family and some WHO administrative matters.

"The news of the bomb attack of 14 July came as a surprise to me while I was outside the country, and consequently I had to devote all my time to clarifying the situation, to contacts with the press and with other representatives of the Central African opposition. It was at this time that the question of establishing a national political council arose. But it is quite obvious that none of that could be done precipitously and that, in Bangui, power was not to be taken in the streets. It has been said that I was in France because I was afraid or for some other reason, I don't know what. It has even been rumored that I was preparing to be parachuted into Bangui by the French socialists. This is to misread me completely. If we ourselves condemned "Operation Barracuda," it was not so we ourselves could parachute into a French military truck like Dacko. All we are asking is the chance to carry on the struggle, on a democratic basis, on the ground, to advance the interests of our country. For, as far as we are concerned, we have done nothing to merit criticism. We are not afraid to show ourselves to the people, for we have never made compromises with the previous regimes. It is our enemies, particularly the businessmen in the Bangui chamber of commerce, who circulate the most ridiculous rumors, for example, the rumor that I have three or four nursing homes in France. In reality, beside the other opposition leaders, we practically look like pariahs.

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"As for the results of the March 1981 elections, it goes without saying that we attach no importance to them. Everyone knows that through that electoral farce Giscard d'Estaing tried to justify before the world his "Operation Barracuda" by giving it at least a bare veneer of democracy, which fooled no one. At the same time, he tried to humiliate us by arranging for the FPO to score as poorly as possible. Besides, according to information gleaned here and there, if Dacko did not go through with dismissing his prime minister, Bozenga, as he intended to do--consultations on a successor had already begun--it was because the latter had threatened that if he were driven from office he would reveal all the electoral fraud committed in the March 1981 election.

"In other words, none of that disturbs me very much; the strength of the FPO cannot be seriously judged on the basis of the tally in that electoral parody.

"What is certain, and widely known, on the other hand, is that an effort is being made to eliminate us by any means possible, because we are the most vociferous and highly organized opposition movement. Dacko himself this and said so. This is why we are not in the least intimidated. We are feared because our honesty cannot be challenged, and neither can our credentials in fighting against the former fascist regime of Bokassa. And this is what our enemies are afraid of.

"Finally, I would like to emphasize that there is a certain kind of popularity which does not impress us and which we are not seeking. This is popularity based on tribalism or on exploiting the misery of the population. For it is necessary to understand that most political leaders pay their militants. The FPO and the young people, on the other hand, are offering to mount guard for us out of conviction.

"To understand what is happening in Central Africa, it is necessary to understand that poverty and dictatorship have made our people "corruptible." Thus, when we were involved in our electoral campaign, the people asked us: "What are you bringing to us? What are you giving us?"

"Under these conditions, one can understand how unscrupulous people, with the help of enterprises they built up under the Bokassa empire, would be able to buy clientele. As far as we are concerned, these methods are totally alien. And it is precisely because of the very conditions that prevail in our country that we believe that the creation of conditions for the flourishing of normal democratic is an urgent necessity. We must be able to contribute to the education of the people, raising the level of political consciousness. Our citizens must be convinced that they themselves can act in their own interests...

"In order to understand what has happened in our country since independence, and what has happened to our people, one must put the problems into a wider context. In fact, everything is just as if imperialism, colonialism and neocolonialism were at work more feverishly in the central part of this continent than anywhere else. Perhaps because of the mineral wealth in its soil. The result, in any case, is that central Africa has engendered some of the most mediocre and contemptible of regimes. And it has endured and continues to endure tragic situations the like of which have apparently never been seen in the countries of the geopolitical era of the former French West Africa.

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"How have the forces of reaction proceeded? First of all by the physical elimination of those whose activities to mobilize the masses would have jeopardized the neo-colonial status quo and the policy of pillaging the wealth of the region. Thus Lumumba and Mulele were assassinated in Zaire, Boganda in Central Africa, Dr Bonno in Chad, etc., to take only a few examples. And we know that in Gabon the disappearance of leaders without a word said count for nothing. When they have not been liquidated, nationalist or insubordinate leaders have been given three options: rot in prison, take exile (those are the two I have been through) or agree to be co-opted, in other words, corrupted.

"At the same time, no effort has been spared to put straw men in place: Dacko, then Bokassa, then Dacko again in Central Africa, Mobutu in Zaire, Bongo in Gabon... Here, most of the elite have sold out or become totally disengaged. This only makes the struggle harder and more complex. And one can predict that this part of Africa will be subject to every sort of pressure for years to come.

"As for our own country, we must not forget that it has substantial potential wealth. The famous Bangui 'phenomenon' would outstrip the wealth of the former Katanga province. In addition to uranium, copper and cobalt, the Americans say there are oil deposits greater than those in Chad..."

[Question] What does the FP0 propose to do to get the Central African Republic out of the current impasse?

[Answer] "First of all--even though this is a special problem, which is part of a bigger whole--we are asking for the release of our militants, who are unjustly detained. Finally, and above all, we believe we must rapidly create the democratic conditions for scheduling of free elections with the shortest possible delay (perhaps in one year) and give our country normal, popularly supported institutions.

"The problems which our country faces are too serious for the military to even imagine they can solve them by themselves. Discipline alone is not enough, far from it, to inspire the people with enthusiasm and determination. We think that the movements and political parties should be allowed to speak their peace, too..."

Two Points

[Question] Do you think that the French Government can influence the evolving situation in the Central African Republic?

[Answer] "I think that France can play an effective role in the restoration of democracy in Central Africa, and particularly since the new government wants to maintain special relations with Paris. I think that a socialist France will put conditions on its cooperation.

"In that regard, there are two points I would like to make. First of all, there is the question of the final destination of the financial aid. Up to now, the subsidies were used for the benefit of the "elite" or to expunge debts of the former Bokassa regime. It is necessary now for the Central African people to benefit from this aid. In the second place, and this point is tied to the first, we need to have a real program of national recovery drawn up, for we cannot go on

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doling out money only to respond to crises, i.e., using aid to pay the salaries of officials...

"In our opinion, France can thus use its influence in this direction and insure that certain conditions are met.

"But what we also fear is that if there are problems with Paris Bangui will turn to other partners. In that regard, all those trips to the United States which have been made in recent months continue to worry us."

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CHAD

INTER-AFRICAN FORCE NOT A 'MIRACLE SOLUTION'

Paris AFRIQUE-ASIE in French No 252, 9-22 Nov 81 pp 15-16

[Article by Antonia Blis: "The Determination of Goukowni Oueddei"]

[Text] Now that he has announced he will henceforth be without the presence of his Libyan allies, the president of the GUNT [Transitional National Unity Government] should receive formal guarantees respecting his country's territorial integrity, security and stability, so Chad will not become yet another neocolonial morass.

In Chad everything happens as if people were always trying to add yet new complications to a situation that is already complex and tragic enough without widening it further or distorting the real problems. French journalists, or at least most of them, as far as one can tell, have never been overly concerned with striving for a minimum of objectivity or a better understanding of the Chadian imbroglio, its "players" and the stakes involved. And one will recall the unlikely chorus of approval which greeted the December 1980 victory of the GUNT forces rallied around Goukouni Oueddei and supported by Libya over Hissein Habre's troops--the latter being supported by the Giscard government--and a short time later, in January 1981, greeted the Chad-Libya joint communique published in Tripoli.

The Voice of the Chadians

Several reasons seemed at the time to explain the tendentious and impassioned attitude of the commentators: on the one hand the refusal to recognize the right of Libya--an African country, turned into a bugbear in the service of an unworthy cause--to intervene in Chad, which was still considered a special preserve of its former colonial master, or the right of the Chadian leaders to appeal for help to the ally of their choice, or in any case to the only one likely to respond to their plea; and for doing so those leaders were denied any legitimacy. At the same time, there was and still is a refusal to concede the fact that Tripoli's help was useful: at an early stage it facilitated bringing to an end what seemed to be an interminable war. On the other hand, finally, and this goes back to the observations made initially, there was never a willingness to pay real attention to the voice of the Chadians themselves, the overwhelming majority of whom consistently maintained, beginning with the GUNT president, that they had not fought for years on end only to fall back into a new state of vassalage, and time after time appealed to the international community for help in rebuilding the country.

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It was basically because of these same reasons that most of the dailies and other media in France fell into a double trap on 29 and 30 October: on 29 October by recklessly exploiting--without the least confirmation--a report born of "alarmist rumors," at least one of them going so far as to announce on page one that there has been a "Libyan armed coup" in Chad. President Goukouni Oueddei, according to that press organ, had "disappeared" or was "fleeing," and had been replaced by his minister of foreign affairs, Acyl Amat, reputedly the most "pro-Libyan" of the Chadian leaders. On 30 October, when at last confronted with the fact that the realities were different, the commentators launched into new speculations, announcing it as a near-certainty that, following Major Jalloud's 3-day trip to Ndjamena and the latter's "saber-rattling" on behalf of the Triopli government, the "frail" GUNT president, or as the pundits described him, "the cunning cat of the Toubou desert," could not fail to "knuckle under" and discard his last pretenses to being independent of his big brother next door.

We know how these speculations were stunningly discredited almost as soon as they were printed. We learned the very same day, in fact, following a meeting of the council of ministers that lasted 5 hours, that President Goukouni Oueddei, with the approval of all but one participant in the meeting, had during the night of 29-30 October demanded the immediate and total withdrawal of Libyan troops from the capital and the prefecture of Chari-Baguirmi, south of Ndjamena, as well as the departure of all of the military forces Tripoli has stationed in Chad before 31 December 1981.

Beyond the dramatic escalation of events and the eagerness with which certain Parisian commentators rushed off on the wrong track, it appears obvious that differences between Ndjamena and Chad have surfaced as to the direction events in Chad will take in the future, and as to the appropriate response to be made to the initiative taken in Paris--and expressed 22 October in Cancun by President Francois Metterrand--to speed up the process of creating the inter-African peace force, and to the French government's decision to contribute to getting the project on its feet, "with material, financial and logistical assistance, but without any military participation."

Naturally, Goukouni Oueddei himself vigorously denied the rumors that his minister of foreign affairs had engineered a coup with the support of the Libyan troops. And a Chadian government communique protested the "lies aimed at sowing discord in our midst." But sources close to the Chadian president also said that the demand for the Libyan troops to withdraw was made without any previous agreement on the part of Tripoli, and was made because "the conditions for the maintenance of peace in Chad seem now assured," especially in light of France's "decisive offer" of "logistical support."

Now we know that Major Jalloud, the number two man in the Libyan regime, had just spent 3 days in Ndjamena where--while continuing to maintain what Tripoli has consistently said: namely that the Libyan troops would be withdrawn whenever the Chadian Government desired it--he also described Paris's decision to "impose" an inter-African peacekeeping force in Chas as "interference in Chadian internal affairs."

While waiting for Tripoli's reaction to these latest developments, we should note that Ndjamena's decision comes at a time of new change, characterized on the one

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hand by the growing authority President Goukouni Oueddei has acquired in recent months as a national consensus seems to be growing around him, and on the other hand by the consolidation of the GUNT's diplomatic position, especially since the fall of the Giscardian regime in France. The OAU summit resolution in Nairobi last June, which in addition to calling for specific action to create an inter-African peace force, called for the African and international community to help the GUNT create an integrated national army and rebuild the country, had expressed an improved understanding of the situation in Chad, if not a spectacular shift from the positions which up to then had been maintained with the support of the previous occupant of the Elysee. And today, hardly anyone but the head of state of Togo challenges the legitimacy of the GUNT by harping on the fallacious and worn-out arguments of the past.

Finally, President Goukouni Oueddei's official visit to Paris 17 and 18 September marked--despite France's reluctance to commit itself to taking a forward position on cooperation with Ndjamena so long as the Libyan troops had not first been withdrawn--a decisive turning point in relations between the two countries, and a total break with the previous policy of the former colonial power toward Chad. "France is ready to assist in the reconstruction of a united and totally independent Chad," said the French foreign minister at the end of the talks, while for his part President Mitterrand asserted: "We have made much progress in understanding and, I hope, in joint cooperation."

A Helping Hand

While it may not have been a question of "repeating the mistakes of the past," several hurdles were cleared: the resumption of economic cooperation with Chad, Paris's contribution to the reconstruction of Ndjamena, France's agreement to send an ambassador to the Chadian capital in the near future. The import of the visit did not, in any case, escape the GUNT's enemies. All the evidence indicates, in fact, that it was precisely to scuttle the new relationship into which Paris and Ndjamena were beginning to enter that the partisans of Hissein Habre, concentrated in the Koulbous and Jeneina regions in the Sudan and supplied with equipment both from Khartoum and Cairo, launched in September their major operations in the Iriba and Adre regions in the eastern part of the country. These attacks, which led to fierce fighting and had been stopped with the help of Libyan troops, also led Goukouni Oueddei to state, when he was in Paris: "So long as our country remains threatened by Sudan and Egypt, so long as vast resources are being poured into the effort to destroy Chad's unity, so long as we do not have an integrated national army in operation, it would be difficult for us to spurn the helping hand of a friendly, neighboring country."

However, at the same time new tension seemed to be growing within the GUNT forces themselves. And in any case it was fear of seeing new troubles arise that seems to have motivated Francois Mitterrand's sudden move to approach the acting president of the OAU, Arap Moi, the head of state of Kenya, on the rapid mobilization of the inter-African force, as well as the unexpected decision by Paris a short time later to send light arms and munitions to President Goukouni's forces.

It is clear that the French president's initiative was all the more poorly received in Tripoli because it was immediately endorsed by the United States, Egypt and the Sudan, whose bellicose attitudes toward Libya are well known, and because those

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three countries tried to take over Paris's initiative to more effectively short-circuit the Libyan adversary. It must also be noted that the attitude of the new French government toward Tripoli, which was the first Arab capital to express its pleasure and its hope in the wake of the 10 May elections, and to extend the hand of friendship to the successors to Giscard d'Estaing's team, is if not unkind, at least clumsy and seems to be tainted with the same prejudices as the preceding regime.

However, there is no doubt, either in Ndjamena or in Paris, that a Libyan withdrawal would have positive effects, both within the country and on its borders. One might think, in fact, that Libya's military disengagement from Chad would deprive Hissein Habre and the two countries (Sudan and Egypt) that hold him at arm's length of any further pretext for continuing his destabilization operations. Habre, in fact, has been abandoned by several of his closest lieutenants, and has already totally lost face. One might also speculate that Libya, unburdened of the Chad "affair," would be in a better position to cope with its enemies and unmask their real designs, and also to alleviate the supposed fears of those in sub-Saharan Africa who would like to suspect Tripoli of nourishing not only revolutionary designs but also some kind of expansionist plans. However, those are only possibilities, and until we see the outcome of events we should not view the creation of the inter-African force, on which Paris seems to be relying for the restoration of peace and independence of Chad, as a panacea. For does it not amount to replacing one "occupation" with another which, even if it is multi-national, nevertheless presents its own dangers? Indeed it does, unless Ndjamena's recent decision arouses and gives concrete expression to a new patriotic spirit in the country, a spirit which among other things would hasten the process of political unification of the different factions claiming allegiance to FROLINAT [Chadian National Liberation Front] and the creation of an integrated national army--in other words a powerful solidarity movement equal to the immense needs of this country where everything must be rebuilt on new foundations.

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COMORO ISLANDS

OFFICIAL REPORT ON 1980 ECONOMY PUBLISHED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1879, 13 Nov 81, p 2899

[Text] The 1980 annual report of the Comoro Issuance Institute makes a detailed survey of the general development of and prospects for the economy of the Federal Islamic Republic of Comoro.

Agricultural production, which was satisfactory in 1979, led in 1980 to an accumulation of reserves of several slow-moving products: copra, ylang-ylang oil, and vanilla. Only cloves enjoyed both an abundant harvest and solid market prices.

In 1980, exports of processed vanilla amounted to only 13 tons (compared to 170 tons in 1979) with a net worth of 192 million Comorian francs (compared to 2.3 billion). During the first 3 months of 1981, 95 tons were shipped out, and this was an improvement.

The Comoro Islands are the world's largest producer of ylang-ylang oil, supplying 80 percent of the market. In 1980 33 tons were exported, at a net worth of 393 million Comorian francs (compared to 61 tons and 662 million [Comorian francs] in 1979). France is the largest customer (78 percent), followed by the United States and Switzerland.

Only 480 tons of copra were sold in 1980 (compared to 2,470 tons in 1979), the biggest buyer being Madagascar (80 percent).

Clover production is subject to a 4-year plant cycle, and the 1980 harvest was very large at 1,200 tons.

Other export crops, such as coffee, cacao and pepper, yielded only insignificant tonnages.

Industry is advancing very slowly because of financial problems. Infrastructure in various sectors is a cause for concern: inadequate storage capacity for oil products and electricity production, deterioration of the telephone system, and the accumulated operating deficits of the national air and shipping lines.

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Foreign trade, between 1977 and 1980, is summed up in the following chart (figures are in millions of Comorian francs):

	1977	1978	1979	1980
Imports (Cost, freight and insurance)	4,053	4,329	6,135	6,147
Exports (FOB)	2,203	2,099	3,729	2,364
Deficit	-1,850	-2,230	-2,406	-3,783

The principal suppliers are France and the Common Market countries for industrial products, Kenya for oil products, Madagascar for salt and sugar, China and Pakistan for rice and Mozambique for cement. Among the buyers, France purchases 76 percent of Comorian exports; then come West Germany (9 percent), Madagascar (5 percent) and the United States (4 percent).

Despite 2.4 billion Comorian francs in cash grants and foreign assistance, the 1980 balance of payments shows a deficit of 1.9 billion Comorian francs. The external assets of the Issuance Institute showed a decline of 0.7 billion Comorian francs in 1980. The deficit in external payments is financed by external grants, borrowing abroad and commercial loans.

The federal government's 1980 operating budget was certified to be 1.4 billion Comorian francs in revenue and 2.7 billion in expenditures, the 1.3 billion deficit having to be covered by external resources. The 1981 fiscal year operating budget has been fixed at 3.2 billion, 52 percent of it to be covered by tax revenue and foreign aid supplying the other 48 percent.

The 1980 capital expenditures budget, entirely financed by grants and external borrowing, amounted to 1.4 billion Comorian francs. That budget for the 1981 fiscal year is down to 1 billion, and will be financed in the same way.

The governorates came up with a 0.5 billion Comorian franc deficit in their budgetary operations for the year ending 31 December 1980.

On 31 December 1980, there were 2 billion Comorian francs in bills and coin in circulation (up 12 percent over the end of 1979); sight deposits in the two banking institutions (Comoros Commercial Bank and the Loan Society for Comorian Development) totaled another 2 billion (up 14 percent over 1979). Credits to the economy, on the other hand, amounted to 3.7 billion Comorian francs (up 64 percent) while Comorian treasury indebtedness was up to 0.7 billion (up 290 percent over the end of 1979).

Public sector financing (government and statal enterprises) absorbed 3.5 billion Comorian francs in 1980, 92.6 percent of the total going into road, port and airport infrastructure. This financing was obtained from Saudi Arabia, Kuwait, Abu Dhabi, China and the Central Fund for Economic Cooperation [CCCE] (2.2 billion in all), from international organizations (World Bank, European Investment Bank, African Development Bank) which supplied 1.3 billion, and from supplier credit.

The year 1981 should show a decline in production of cash crops (vanilla, clove), a fallback in exports and a major increase in imports (two 10,000-ton deliveries of rice were made in the initial months).

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The Comoros suffer from inadequate sources of financing. The problems of the Comoros Commercial Bank and the absence of a private sector. However, agricultural development activities, particularly corn cultivation and poultry raising, should begin to produce results and contribute to achieving the objective of food self-sufficiency.

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MADAGASCAR

NATIONAL BANK OF COMMERCE REPORTS ON 1980 BUDGET

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1878, 6 Nov 81 p 2838

[Text] The report for the 1980 fiscal year of the Banky Fampan drosoana ny Varotra (BFV, or National Bank for Commerce) notes that the balance sheet on 31 December 1980 was balanced at 63.54 billion Malagasy francs compared with 54.79 billion for the previous fiscal year, an increase of nearly 16 percent. The increase mainly results from an increase in customer deposits and, to a lesser extent, from the accumulation of overdue transfers vis-a-vis foreign customers as a result of the failure to execute orders for currency purchases by the Central Bank of Madagascar.

With respect to commitments, immediate figures for the balance sheets on 31 December 1979 and 1980 are substantially the same. Actually, there was an average increase in commitments by withdrawals on the order of 12 percent. A more detailed analysis of these variations reveals an average increase of: 21.7 percent in liabilities in local commercial paper; 18 percent in liabilities in documentary discount; 4.6 percent in advances on merchandise; 13.2 percent in advances on products; 19.3 percent in overdrafts and facilities for payment in current accounts; 6.5 percent in medium-term credit liabilities. Decreasing commitments concern in principle only the mobilization of administrative debts equivalent to a drop on the order of 23 percent.

Interventions on foreign credits also rose, corresponding on 31 December 1980 to an overall liability of 4.14 billion Malagasy francs distributed as follows: long-term financial credit, 287.7 million; medium-term foreign credit, 1,403,900,000; backing for foreign credits, 1,451,250,000.

Overall and despite the difficult economic situation encountered during the fiscal year, the BFV continued to effectively finance the different sectors of the Malagasy economy. This would not have been possible if the bank's resources, essentially made up of customer deposits, had not grown. On an average, deposit accounts rose 20.2 percent, while corporate current accounts increased by 24 percent. Fixed deposits and cash certificates rose an average of 6 and 11.3 percent respectively.

While in 1979 resources on call represented 67.8 percent of all bank deposits, in 1980 that percentage dropped to 63.4 percent. With respect to immediate deposits figuring in the 31 December 1979 and 1980 balance sheets, corporate accounts rose by 2.5 percent, private accounts by 12.8 percent and fixed deposits and cash certificates by 29.7 percent. This points up a reduction in corporate funds, meaning greater use of bank loans, followed by increased private savings. This situation enabled the bank to meet loan requests.

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Finally, there was a 45-percent increase in locked-up capital, which went from 705.9 million in 1979 to 1,023,800,000. This increase is essentially due to the "data processing equipment" column, corresponding to the purchase of a more powerful computer, accompanied by other data processing equipment to meet the needs of the new system of handling operations.

The mass of the "special balance sheet" dropped by some 32 percent, going from 27.5 billion Malagasy francs in 1979 to 18.7 billion in 1980. This drop is attributable to the country's foreign payment difficulties encountered during the last quarter of the fiscal year. Consequently, the liability for the opening of documentary credits dropped considerably on 31 December 1980: 3,156,200,000 compared with 15,096,300,000 on 31 December 1979. Nevertheless, the total amount of documentary credits opened for imports followed a less noticeable drop. With respect to the utilization of these same credits from 1979 to 1980, the values remained substantially the same: 21.2 billion compared with 22.8 billion. Likewise, documentary remittances dropped by 42.4 percent. Free remittances grew, on the other hand, by 34.2 percent. However, for their part, commercial transfers went down 28.5 percent.

On the whole, international payments of a commercial nature remained stagnant, amounting to 26 billion Malagasy francs in 1979 and 26.35 billion in 1980. At the same time, currency receipts corresponding to export collections amounted to 36.25 billion, a cover of 137.6 percent compared with import payments.

Finally, considering bank proceeds, bank expenses, amortization accounts, and so on, the operating profit of the BFV for 1980 amounts to 1,115,800,000 Malagasy francs, compared with 1,234,200,000 in 1979, a drop of 9.6 percent. After the allocation of 506.6 million for the corporate profits tax (IBS), the net profit totals 679.8 million in 1980, down 5.8 percent compared with the previous year.

Difficult Economic Situation

In the light of the situation at the close of this fourth quarter, the BFV report states that the economic situation will remain difficult throughout 1981. Naturally, the financial recovery program approved by the government with the International Monetary Fund should bring about a better balance of the Malagasy economy in general. However, it is a well-known fact that some of the measures within such a program do not help banking operations. In particular, the policy of rehabilitating public finances will imply a transfer of deposits of public agencies with banks to state coffers, at the same time that the conditions for the remuneration of investments in the treasury will be at a more attractive level than what is possible with the banking system.

On the other hand, the institution of more draconian credit measures than those in the previous system is not for the purpose of developing bank proceeds, while the growth in management charges is inevitable.

At any rate, the management committee report concludes, one must recognize that the interest of the national economy outweighs that of the financial institutions, even if they do belong to the state. One must concentrate and adapt management efforts so as to continue to ensure the expansion of the bank as well as its role in financing economic activities.

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The BFV management committee is headed (as is that of the BTM [National Bank for Rural Development], whose report we analyzed in our 30 October issue) by Rakotovao-Razakaboana, minister of finance and planning attached to the presidency. The general manager of the BFV is Richard Randriamaholy.

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NIGERIA

MAIN TRADING PARTNERS FOR 1980 RANKED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2766

[Text] In 1980, France was Nigeria's third-ranking trading partner after the United States and the Federal Republic of Germany and before the Netherlands and the United Kingdom. The latter was only in fifth place, but with a commercial balance heavily in its favor, which was not the case of the four other partners and of the United States in particular, all of whose balances showed a deficit.

We have regularly followed the evolution of French-Nigerian trade based on French statistics (for 1980, in our issue of 3 April, p 947, and for the first six months of 1981, in our issue of 2 October, p 2505). We noted that this trade is increasing, with a tendency toward a restoration of the balance.

We thought it would be interesting to give the comparative figures for the federation's trade in 1980 with its main Western partners, based on statistics from the International Monetary Fund (IMF). Nigeria's official figures for the year considered are not to be published, in fact, before the end of 1982. The following figures are given in millions of dollars. United States: import, 10,287; export, 1,265; the Federal Republic of Germany: import, 2,756; export, 2,010; France: import, 2,728; export, 1,483; the Netherlands: import, 2,639; export, 1,025; the United Kingdom: import, 320; export, 3,079; Japan: import, 110; export, 1,651; Italy: import, 859; export, 752; and Belgium: import, 394; export, 660. For all the other countries, the value of trade was well under \$1 billion. Two countries: New Zealand and Australia, bought nothing from Nigeria, although they sold products worth \$12 million and \$5 million respectively.

The share of industrialized countries (outside of East Europe) is 85 percent of all Nigerian trade and totaled nearly \$35 billion in 1980. One can therefore conclude that Nigeria's total trade for the year in question amounted to some \$37.5 billion, including \$16 billion for imports and \$21.5 billion for exports (essentially oil). The surplus in the Nigerian trade balance is therefore \$5.5 billion.

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NIGERIA

DEVELOPMENT OF ECONOMIC, INDUSTRIAL RELATIONS WITH FRANCE EXPECTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2766

[Text] The president of the French national oil company, ELF-Aquitaine [Gasoline and Lubricants Company of France], Albin Chalandon, visited Nigeria from 14 to 16 October. He was received by Chief of State Alhaj Shehu Shagari, and met with the country's top officials for energy and economic affairs.

Chalandon first of all joined with his hosts in a discussion of the evolution of the oil market and prospects for the development of ELF-Nigeria's production in terms of conditions granted to the company and thanks to the great increase in its hydrocarbon reserves. This increase, due to new discoveries and a rise in the productive potential of deposits already being worked, is the fruit of a very substantial exploration effort now representing 20 percent of the overall annual exploration investment in Nigeria, for a production capacity that is still only 5 percent of the total.

At the same time, the president of ELF-Aquitaine indicated that both because of the increase in production and the French policy of diversifying oil supply sources, his firm hopes to use more Nigerian oil to the full extent compatible with the economic and technical conditions of the oil market and more particularly, the African crude oil market.

Concerning natural gas, inasmuch as the chief of state emphasized Nigeria's desire to see the proposed liquefaction plant become a reality at the earliest possible date (the Bonny liquefied natural gas plant), Chalandon confirmed that ELF-Aquitaine was ready to increase its financial and technical participation in the project insofar as its viability and profitability are ensured.

Finally, the president of ELF-Aquitaine told his interlocutors that his firm is now studying the expansion of its activities in Nigeria in sectors other than hydrocarbon exploration and production and more specifically, in areas where it has very solid experience such as the local distribution of refined oil products or their maritime transport, pharmacy, and so on.

All of the discussions showed that Nigeria hopes for important development of economic and industrial relations with France and that the ELF-Aquitaine firm is making an essential contribution.

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NIGERIA

NEW TEMPORARY DROP IN OIL PRICES NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 30 Oct 81 p 2766

[Text] At a time when the Organization of Oil-Producing Countries (OPEC) was announcing its intention of holding a special meeting on 29 October in Geneva, Nigeria decided on 21 October to put into effect another \$1.50-per-barrel reduction in the price of its crude, retroactive to 1 October. This is reportedly a provisional measure only applicable in the case of the payment of invoices within 30 days. To date, Nigeria's customers have had a period of 120 days.

Consequently, the new reduction, which joins that of \$4.00 decided upon on 26 August following the failure of the last OPEC conference (MARCHES TROPICAUX ET MEDITERRANEENS, 4 September, p 2280), brings the actual price of Nigerian crude down to \$34.50 a barrel, far higher than the price of Saudi crude (\$32 a barrel), but lower than that of crude oil from the North Sea (\$35 a barrel) and even crude oil from Libya (which has just reduced it from \$40 to \$38).

In oil circles, it was thought that the Nigerian decision made on the eve of the Geneva conference bore witness, either to a desire to speed up payment of invoices in order to meet a pressing need for foreign exchange, or a determination to bring pressure on certain members of OPEC still hesitating to adopt a positive attitude toward price unification.

It was also noted that the previous drop did not motivate Nigeria's buyers sufficiently. Consequently, the rise in production registered in September: 1,064,000 barrels a day (MARCHES TROPICAUX, 23 October, p 2697) would not have resulted in a corresponding increase in sales, which have reportedly remained stagnant recently at around 400,000 barrels a day. Furthermore, production for the month of October has allegedly dropped back down below a million barrels a day (900,000).

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NIGERIA

BRIEFS

AUSTERITY BUDGET--Nigeria's federal budget for the 1982 fiscal year (1 January to 31 December) should be announced during the first week of November. It is expected that it will be marked by austerity because of the current foreign exchange reserve drain resulting from the heavy cost of imports (MARCHES TROPICAUX, 16 October, p 2628). Furthermore, Prof Emmanuel C. Edozien, special adviser to President Shagari for economic affairs, confirmed only recently that the government did intend to take the measures needed to reduce monthly imports so that they will no longer exceed 1 billion naira. He added that these measures will result in the restoration of control over articles previously released from it: mainly raw materials and spare parts. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2697] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

OIL PRODUCTION--Nigeria's oil production, which fell to 708,000 barrels in August (MARCHES TROPICAUX, 18 September, p 2384), experienced a very clear recovery in September, when it amounted to a reported 1,064,000 barrels a day. The increase, after a decline lasting months, must not prevent the government from drawing up its austerity budget for the 1982 fiscal year (see above), especially since the level is still far from the maximum reached in March 1979 (2.4 million barrels a day) and even from that attained in January (2.1 million). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2697] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

INSECURITY IN LAGOS--The assassination, on 11 October in Lagos, of a secretary of the British High Commission, Mrs Maude Eagleton, who was on her way to a Sunday luncheon with her husband and friends of Indian origin in their Mercedes, has aroused strong emotions among the expatriate community, especially since Mr Eagleton, a SCOA [West African Trading Company] employee who had lived in the federal capital for some 15 years, was so seriously wounded that he had to be taken home immediately on a special flight. Moved by the acts of aggression aimed at a number of foreign-born persons since the beginning of the year and by protest notes from various embassies, including those of France and the Netherlands, federal authorities have taken a series of preventive and repressive measures, mainly strengthening security forces and increasing patrols. However, while a certain rise in crime has affected residential districts, insecurity also remains and is frequently borne by the Nigerian citizens themselves. The attackers often act in groups, blocking streets and mercilessly holding up passers-by. Large automobiles, particularly Mercedes, are special targets because of the prestige surrounding them and the high resale value. That of the Indian High Commission was stolen in December from the very

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courtyard of the Commission and the Pakistani ambassador had his vehicle taken twice in 3 years. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2697] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

RELATIONS WITH SOUTH AFRICA--In mid October, Alhaji Bello Maitama Yusuf, Nigerian minister of commerce, announced that his ministry was in the process of counting all the local companies having relations with South Africa. The survey concerns 100-percent Nigerian companies as well as those with foreign participation. According to the NEWS AGENCY OF NIGERIA (NAN), South African products are reportedly being marketed in Nigeria, such as radios, canned food, cigarettes and edible oils. These products are said to come from Great Britain or are smuggled in from Benin. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2697] 11,464

AGREEMENT ON TIN--Alhaji Ibrahim Hassan, Nigerian minister of mines and energy, who has just participated in the third ministerial meeting of tin-producing countries in Kuala-Lumpur, has stated that his country would ratify the Sixth International Tin Agreement as soon as possible. Along with Zaire, which began to produce 3 years ago, Nigeria is the only tin producer in Africa. The fifth-ranking world producer, it puts out some 3,500 tons a day. Malaysia was the first country to ratify the agreement and Indonesia is also said to be on the brink of doing so. The conference, held 13 October, was attended by Malaysia, Indonesia, Bolivia, Nigeria, Australia and Zaire, which supply 85 percent of all production in the world. It was to be followed by the 24th session of the International Tin Council. Work concentrated on prices, which, according to Prof Dr Soebroto, Indonesian minister of mines and energy, remain at "unrealistic" levels. Participants emphasize the need for an increase in prices so as to face higher costs and inflation. The next ministerial meeting will be held in Nigeria in 1982. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2698] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

HOTEL CONSTRUCTION IN ABUJA--The future federal capital of Nigeria, Abuja, is now the scene of hotel construction. In addition to the largest one, the Nicon Noga Hilton, which will have 1,000 rooms and whose financing was provided by a bank consortium headed by the Bank of Indochina and the Suez (INDOSUEZ) (MARCHES TROPICAUX, 16 October, p 2629), two more establishments are to be built: one by Nigerian Hotels, Ltd, with 500 rooms (according to the president of that hotel chain, Livinus Ogbonna, the 2-hectare site has already been purchased and work should begin immediately) and one with 521 rooms, 25 business suites, 20 deluxe suites and 5 presidential suites, without counting a 1,000-seat conference room. This hotel, to cost an estimated 109 million naira, will be built by Abuja International Hotels, Ltd, and will be 25-percent owned by the Federal Capital Development Authority, FCDA, and the rest by the National Insurance Corporation of Nigeria, NICON, the Nigerian Development Bank, the Nigerian Bank of Commerce and Industry, the New Nigeria Development Company, the Benue Investment Company, the Kano State Investment and Property Company, the Pabol Finance and the Investment Company, Ltd. It will be known as the Abuja Sheraton Company. Its promoters are: Towner Coker Association (TCA) of Lagos, Neue Heimat Stadtebau (NHS) of Hamburg, Breder International BV, of Utrecht, Breder Nigeria, Ltd, of Lagos, and the FCDA. Concerning the Nicon Noga Hilton, the main contract was granted to a Swiss firm: Real Estate Promotion and Financing Agency (APROFIM), but because of the large French financial

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credit, most of the work was subcontracted to the Dredging and Public Works Company. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2698] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

CHOLERA VICTIMS IN IBADAN--A dozen persons have reported died of cholera in Ibadan recently. According to an official from the Ministry of Health of the state of Oyo, of which Ibadan is the capital, the epidemic is the second to occur in a month. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2698] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

ROLL ON-ROLL OFF SHIP--In September, the United Kingdom West Africa Lines (UKWAL) put a second "ro-ro" ship into service serving Apapa, Nigeria, monthly. The vessel, the "Anzere," joins the first, the "Treno," which went into service in 1976. The new unit, with a dead weight of 5,482 tons, was built in 1978 and flies the Swiss flag. It can haul loads of 133 tons at a speed of 19 knots. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2698] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

AGIP INVESTMENT PROGRAM--The Nigerian AGIP [Italian Petroleum Enterprise] Oil Company (NAOC), a Nigerian subsidiary of the Italian firm, expects to invest some \$350 million in Nigeria next year in exploration and the development of current extraction activities. The company, which reduced production substantially in July compared with June (MARCHES TROPICAUX, 18 September, p 2384), even suspended any shipping of crude out of the federation in August, at a time when the world market was saturated. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2766] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

NEW COMPANIES IN 1980--The number of limited liability companies set up in Nigeria in 1980 is reportedly 5,455. Among them are 2,080 commercial firms (38 percent), while the others are mainly in the sectors of engineering and construction (1,095 companies). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2766] 11,464

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ZAIRE

REGULATIONS ISSUED FOR USE OF IMPORT ALLOCATIONS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2770

[Text] BELGOLAISE [Belgian-Zairian Bank] has just disseminated the directives recently sent by the Bank of Zaire to the Zairian Banking Association concerning regulations for the use, by Zairian importers, of the second installment of the \$20-million allocation (1981) from the Executive Council (in shortened form ACE/81/II).

Destination

1 -- Food sector and trading articles: Importers named in this category may import only goods expressly specified for each.

2 -- Sector of manufacturing and other industries: Banks can accept only "I" forms subscribed for goods imports to be used in industrial operations or in equipping enterprises, with the exception of any product to be resold.

Beneficiaries of allocations must transmit to the Ministry of National Economy and Industry a detailed summary of equipment, spare parts and products to be imported, along with their impact on production.

3 -- Registration/validation of "IACE/81/II" forms: Enterprises receiving foreign exchange allocations must give to the approved banks "I" form import declarations in the amounts allocated to them, which represent the CIF value of the goods, labeled in American dollars. Importers may contract with their suppliers and subscribe "I" forms in other currencies, whose exchange rates are published by the Bank of Zaire. In this case, the conversion of the amounts allocated in the contract currency must be executed on the basis of the exchange rates published on 1 September 1981.

For these operations, banks are authorized to register directly, without the previous approval of the Bank of Zaire, the "I" form import declarations to which the documents stipulated by exchange regulations must be attached.

Importation by air is subject to previous authorization from the Bank of Zaire.

The mention "Allocation of the Executive Council 1981/II" (ACE/81/II) must be included in a visible manner on "I" forms mentioned by these provisions. The "I" forms must be subscribed and registered or validated by the banks before

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31 December 1981. After that date, no presentation of "I" forms within the framework of these provisions will be accepted by banks without express authorization from the Bank of Zaire.

Official Exchange Rates Valid in the Republic of Zaire for 1 September 1981

<u>Currency</u>	<u>Zaires</u>	<u>Currency</u>	<u>Zaires</u>
100 DM	230.7670	100 Sterling pounds	1,032.7746
100 lire	0.4610	100 Kenyan shillings	62.5538
100 Swiss francs	264.2527	100 Fl PB	207.2597
100 CD	73.6717	100 Portuguese escudos	8.6051
100 CN	92.6502	100 Pesetas	5.7455
100 CS	107.6502	U.S. \$100	560.5333
100 Austrian schillings	32.8566	CAN \$100	466.2565
100 French francs	96.2292	100 yen	2.4585
1,000 CFA francs	19.2458	100 Belgian francs	14.1068

4 -- Means of payment: Banks are authorized to make payment either by documentary credit or by a documentary remittance or even by a direct transfer. Expenses and possible commissions linked to the confirmation of documentary credits required by suppliers must be charged to them.

In order to enable approved banks to obtain the confirmation of documentary credits that they will have to open within the framework of this operation, the Bank of Zaire will make the necessary currency available to them.

Payment for goods can be made upon shipment in exchange for a remittance of 6 percent of the FOB price (required by regulations for this method of payment). If this type of payment is not accepted by the two parties, goods are payable at the earliest within 90 days of the shipping date, with no financing interest.

5 -- Constitution of funds: Funds in zaires which the importers involved must put together must be in the amount of: a minimum 20 percent of the CIF value of the import at the time of the opening of the documentary credit or, if this method is not provided for, at the time of the introduction of the request for the provision of the currency; or the percentage needed to attain a minimum of 50 percent, at the latest within 60 days of the supplying of the currency; or the balance at the time of the arrival of the merchandise and before the approved bank to the order of which the transport document is drawn has allowed the goods to be forwarded.

For imports payable upon shipment, all 100 percent must be constituted by the shipping date at the latest. If that date is more than 60 days after the day on which the currency is supplied, then the constitution of funds as provided in the second point remains required.

Banks called upon to finance the constitution of funds can do so provided that they have the financing under their credit ceiling. Nevertheless, this financing cannot exceed: 50 percent of the funds to be constituted if the importer is from the commercial sector and 75 percent of the funds to be constituted if the beneficiary is from the industrial sector.

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6 -- Supervised before shipping: In keeping with general regulations, imports brought in in keeping with this order are subject to supervision before shipping by representatives of the Zairian Control Office (OZAC). Supply contracts must contain this clause. No waiver is provided.

7 -- Extension of licenses: Approved banks are authorized to extend the "I" forms they have validated or registered provided that the request is presented before the expiration of the term of validity for importation, with proof of shipping documented. As there are no exceptions, "I" forms without such proof (a shipping document or a certification of the beginning of execution of the order) will simply be nullified.

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ZAIRE

REPORT ON GECAMINES COPPER PRODUCTION FOR FISCAL YEAR 1980

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1878, 6 Nov 81 p 2833

[Text] The GECAMINES (General Quarries and Mines Company) report just published emphasizes that the past year was marked by a substantial recovery in copper production, which totaled 425,700 tons compared with 369,800 tons in 1979, and moderate growth in cobalt production, with 14,482 tons compared with 14,029 tons.

The report notes that the result is the fruit of a sustained effort to regain the production capacity that existed before the Kolwezi events, by means of the reorganization and restaffing of personnel, reconstitution of stock and supplies, renewal of equipment and the completion of various investment projects.

In addition, the company produced 43,848 tons of zinc in ingots and 168 tons of cadmium bars in 1980. Copper refining abroad made it possible, in addition, to recover 78,756 kilograms of silver and 115 kilograms of gold. For its own needs, GECAMINES also produced a large tonnage of coal, metallurgical processors and building materials. In 1980, these types of production amounted to 124,385 tons of coal, 142,687 tons of acid, 113,635 tons of lime and 15,506 tons of metallurgical cement.

However, the development of the world economic situation and its impact on the metal market, particularly the cobalt market, limited the financial resources made available to GECAMINES during the second half of 1980. Consequently, action successfully undertaken for a year had to be slowed down and even halted instead of continued and strengthened.

Nevertheless, this measure allows one to consider, with mitigated optimism, that the level of production reached in 1980 will be able to be maintained in 1981. On the other hand, this situation is translated in fact by the postponement of the implementation, not only of the expansion plan, aimed at increasing the copper production capacity to 570,000 tons a year, but also of the rehabilitation plan, aimed at regaining the production level corresponding to the nominal capacity of the facilities: 470,000 tons of copper.

Mining: In 1980, nearly 14.7 million tons of ore were mined in all the company's mines, a substantially higher tonnage than the average (13.8 million tons) taken out over the past 5 years. This improvement stems from strip mining, in which the tonnage of ore mined -- 8.6 million -- is 1.2 million tons greater than that of 1979. The essential reason is partial modernization of means of hauling ore in the western strip mines by the use of 14 150-ton trucks.

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The underground mines also improved their results over those of recent years. The development and modernization of operating methods, in keeping with future conditions of working the deposits continued, along with work aimed at adapting mining methods to the gradual deepening of the operation through the installation of new crushers, mainly underground.

The average copper content of the ore extracted rose from 4.4 percent in 1979 to 4.3 percent in 1980, which was partially attributable to the deepening of operations and partially to the quality of the selection of ore mined, in keeping with the still inadequate staffing of personnel.

Concentration units: The concentration plants processed 16 million tons of ore in 1980 (up 14 percent over 1979). Total production of concentrates was 1,743,000 tons of copper concentrate, containing 505,000 tons of copper, and 123,000 tons of zinc concentrate, containing 67,000 tons of zinc.

Production of copper in concentrates is up by 104,000 tons, or 26 percent, compared with 1979, and is more than 6 percent above that of the past 5 years. Despite a slight drop in the content of the ores treated, this situation results from the alternative use of the two sections for the processing of mixed and oxidized ores from the new Dima concentrator during the second half of 1980, but also from a substantial improvement in operating conditions, leading to metal recovery yields at the Kolwezi concentrator.

Metallurgical extraction plants: The metallurgical extraction plants produced 447,800 tons of contained copper, 65,400 tons more than in 1979, including 288,100 tons by hydrometallurgy (electrolysis) and 159,700 tons by pyrometallurgy (foundry).

The plants also extracted 16,000 tons of contained cobalt, 600 tons more than in 1979, entirely by hydrometallurgy. Finally, zinc production of the Kolwezi hydrometallurgical plant was 51,400 tons, slightly more than in 1979.

The improvement observed results from the better condition, transport and storage of concentrates, a trend toward normalization of supplies of spare parts and consumable expenditures and gradual restaffing of personnel.

Metallurgical refining plants: The refining at Shituru of part of the production of copper in cathodes made it possible to produce 144,200 tons of electrolytic copper and 35,400 tons of soluble anodes to be used in hydrometallurgical circuits. This production, up 41,000 tons, or nearly 40 percent, compared with 1979, is still far lower than the annual production capacity of 250,000 tons of electro copper. It was limited again this year by the shortage of imported carbon.

Thermic refining of cathodic cobalt obtained at Shituru made it possible to produce 5,200 tons of cobalt granules, a tonnage very close to that obtained the two preceding years.

Rollings mills and cable works: Production of the rolling mills and cable works, mainly obtained from metals produced by GECAMINES, amounted in 1980 to 1,751 tons of metal contained in various manufactured products (1,009 tons for the rolling mills and 742 tons for the cable works). This figure is not only higher than that of 1979, but also than the average production of the last 5 years (1,704 tons).

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GECAMINES 1980

	<u>1980</u>	<u>1979</u>
Metal production (tons)		
Copper	425,700	369,800
Cobalt	14,482	14,029
Zinc in ingots	43,848	43,700
Cadmium bars	168	212
Silver	78.8	91.7
Gold (in kilograms)	115	104
Metal sales (tons)		
Copper	439,000	334,900
Cobalt	14,500	14,000
Zinc	43,800	43,700
Turnover (millions of zaires)		
Copper sales	2,472.8	958.7
Cobalt sales	1,206	1,312.6
Zinc and Misc. sales	158.7	165.4
Other receipts	275.7	146.9
Total	4,113.2	2,583.6
Financial results (millions of zaires)		
Gross cash flow	1,836.5	1,652.4
Taxes and duties	694.6	1,245.2
Net cash flow	1,141.9	407.2
Net result	691.5	211.7
Fiscal year investments	432.5	193.8
Personnel (number)		
Workers	35,149	32,946
Management personnel	3,259	2,372
(Including university graduates)	1,165	(985)
Total	38,408	35,818

Auxiliary facilities: Total acid production amounted to 142,700 tons, including 77,600 from calcinated blende and 65,100 from imported sulfur. The reduction in acid production registered in recent years persists. It is essentially due to the old age of the facilities, for which a rehabilitation plan is in the works.

The Kakontwe plants produced 113,600 tons of lime and 15,500 tons of metallurgical cement, productions to be compared with those of 1979, which were 115,300 and 10,800 tons respectively. A new coal crushing facility, which was to make it possible to substitute the local coal from Luena for imported coal, and a new lime oven with a capacity of 200 tons a day were put into service during the first quarter of 1980.

The Luena coal fields produced 124,400 tons of select or washed coal, with an average content of 24.5 percent cinders, or 25,200 tons more than in 1979.

Export traffic: The total volume of exports was 481,400 tons, including 433,500 tons of copper, compared with 410,700 and 365,700 tons respectively in 1979.

The distribution of these tonnages by shipping route was: 200,800 tons, or 41.7 percent on the Matadi line; 38,000 tons, or 7.9 percent, on the Dar-es-Salaam line;

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232,600 tons, or 48.3 percent, on the southern line. Air transport was used for only 10,000 tons of cobalt, 2.1 percent of the total tonnage.

At the end of 1980, the average shipping time for products between the plant and the port was 48 days on the Matadi line, 55 days on the Dar-es-Salaam line and 28 days on the southern line.

Major projects: As a result of financial difficulties encountered during 1980, the investment program, set at the beginning of the year in terms of short- and medium-term production programs, had to be greatly reduced.

Industrial projects were initially classified into three categories: those needed to maintain the current production capacity, estimated at 420,000 tons of copper (work mainly concerning underground mines); those that should make it possible to regain a nominal capacity of 470,000 tons of copper or rehabilitate the production apparatus; and finally, those aimed at increasing the production capacity to a level of 570,000 tons of copper.

During the first half of 1980, the completion of certain units planned within the framework of the second expansion plan made it possible to minimize production losses resulting from the obsolescence of existing facilities. On the other hand, during the second half of 1980, only a few study contracts could be maintained, particularly the one for the filtration module to be installed at Shituru, while activities relating to rehabilitation of the Shituru and Lulu plants were greatly reduced.

As for the rest of the projects aimed at increasing the production capacity to 570,000 tons of copper -- that is, in essential order, the plant for pyrometallurgical extraction by flash smelting and its peripheral facilities, along with the electrorefining plant with a capacity of 100,000 tons of copper a year -- they were suspended for the rest of the year, with the exception of some preparatory work and maintenance.

Related activities: Among its related activities, GECAMINES has flour mills and a hotel.

Corn meal production of the mills was 162,000 tons, close to the record level of 163,800 tons registered in 1979. Production of wheat flour totaled 8,600 tons (7,200 tons in 1979) and that of fodder amounted to 11,100 tons (10,500 tons).

The Karavia Hotel in Lubumbashi, opened in 1976, is managed by the French hotel chain called the Tourist and Hotel Union (UTH). It has 210 rooms and all the usual facilities (restaurants, bars, swimming pool, and so on). In 1980, the average rate of occupancy dropped to 55 percent, compared with 64 percent in 1979, but it remained largely higher than the 41 percent figure of 1978 and the 28 percent of 1977. Total turnover for 1980 was 12,373,000 zaires.

GECAMINES Structures

The General Quarries and Mines Company (GECAMINES) is a Zairian state enterprise of an industrial and commercial nature.

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On 31 December 1980, its board of directors was made up of the following: chairman of the board, Umba Kyamitala; administrative director to the chairman of the board, Robert Crem; administrative director, Norbert Rocher; board members: Buhendwa Bwa Mushaba, Ekila Liyonda Ngongo Pembamoto, Jean-Claude Nicault, Sambwe Dianda and Boboy Mokpala.

General secretary: Lucien Kort

Directors: of operations, Henri Sorel; technical, Jean Louveaux; administrative, Kasongo Mwamba wa Lenge; financial, Norbert Rocher.

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ZAIRE

BRIEFS

NIOBIUM ORE--SOMINKI (Mining and Industrial Company of Kivu) has announced that the Zairian Government has given its approval to the establishment of a new mining company in the Kivu region. The setting up of the new firm, the proposed agreement for which was approved by the Zairian Government and drafted by SOMINKI, will require an investment of \$50 million. Within the new company, called the Kivu Mining Company (SOMIKIVU), the American firm Metallurg, one of the main processors and users of niobium in the world, will hold 70 percent of the initial capital, estimated at around 6.5 million zaires (\$1.17 million). SOMIKIVU will essentially work pyrochlore, the ore containing niobium. Sources close to SOMINKI report that for a single deposit, proven pyrochlore reserves guarantee at least 50 years of mining. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1874, 9 Oct 81 p 2578] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

AID TO UGANDAN REFUGEES--Emergency food worth \$2.93 million will be sent by the World Food Program (WFP) to Ugandan refugees living in Zaire. According to the WFP, the number of these refugees went from 80,000 in March to some 108,000 today. Aid will be granted in the form of shipments of grain, leguminous vegetables and edible oils. This brings the total food aid granted by the WFP to the refugees since March to \$5.7 million. The WFP estimates that a large number of these refugees will settle permanently in Zaire. A program is now being worked out to facilitate their accommodation. Food aid will continue until other sources of supplies exist, the WFP says. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2703] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

COBALT PRODUCTION--Zaire, like Zambia, has been forced to reduce its cobalt production because of the market slump. According to the METAL BULLETIN, GECAMINES [General Quarries and Mines Company], a Zairian state firm, has decided to reduce its production by about 40 percent in order to get rid of its stock, now on the order of 14,000 to 15,000 tons (over an entire year of production), including that stored in Belgium. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1876, 23 Oct 81 p 2703] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

FUEL PRICES--The Zairian Executive Council has decided to freeze fuel prices until 31 January 1982. The decision was made known to heads of the main oil companies operating in Zaire during the meeting which they held on 22 October with the deputy first state commissioner and state commissioner for the administration of the territory, Vunduawe Te Pemako. It is specified that the Executive Council's decision was motivated by the consequences that higher fuel prices would have had on the country's economy, especially the key sectors of agriculture and transport. For about

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two weeks, a tangible drop has been noted at the level of the distribution of oil products. It is thought in official circles that this situation was deliberately created by oil companies in order to force the Executive Council to back a new increase in the prices of oil products. The latest fuel price increase came on 20 July. Following that hike, the price of gas (super and regular) went from 4 zaires to 5.50 zaires (1 zaïre = about 1 French franc). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2770] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

TIN MINING--Zaire has embarked upon a program to develop its tin mining projects in order to encourage the declining mining sector. This announcement was made on 21 October by Ngongo Sulubika, Zaire's permanent representative to the International Tin Council in Kuala-Lumpur. Ngongo Sulubika added that the program is also aimed at intensifying tin prospecting and determining the most suitable methods of extraction. The Zairian representative, who presented the situation of "tin in Zaire and its future prospects" to the Council, indicated that Zairian tin production has steadily declined since 1973. It actually went from 6,400 tons in 1973 to 4,300 tons in 1979 and the decline has continued since that time. A feasibility study is underway at the Manono Mine (eastern region of the country), which contains a minimum of some 22,600 tons of reserves. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2770] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

TRADE WITH BELGIUM--In 1980, Belgian imports from Zaire amounted to 36,156,000,000 Belgian francs, or 1.72 percent of all Belgium's purchases from other countries. These figures show an increase of 28.8 percent compared with 1979 (28,074,000,000 Belgian francs, 1.57 percent of the total). Zaire thus remains Belgium's tenth-ranking supplier, a position it has maintained for 3 years. Zairian exports to Belgium in 1980 included 47 percent nonferrous metals, essentially copper. As for Belgian exports to Zaire, they totaled 7,673,000,000 Belgian francs, or .40 percent of all Belgian sales abroad. This amount marks a 32.2-percent increase compared with the previous fiscal year (5,778,000,000 Belgian francs, or .35 percent of total exports). Over half of the Belgian sales to Zaire stem from the metal manufacturing sector (54 percent). The rest of the Zairian purchases mainly involve chemical products (14 percent), textiles (7.4 percent), iron and steel (4.7 percent), agriculture (4.4 percent) and food (4.2 percent). By order of importance, Zaire is Belgium's 27th-ranking customer and the fourth in Africa, coming after Nigeria, Algeria and Libya. The balance of Belgian-Zairian trade therefore shows a difference of 28,483,000,000 Belgian francs in favor of Zaire (compared with 22,296,000,000 for 1979). Only Saudi Arabia, the United States, the Netherlands and Japan occupy a more advantageous position in this field vis-a-vis Belgium. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2771] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

BILLION-FRANC TELEPHONE BILL--In October, the last meeting of the retiring Belgian Cabinet took up a rather special question: the telephone bill of the Zairian Embassy in Brussels. If one is to believe a recent article by the TIMES correspondent in the Belgian capital, that bill has practically never been paid to the Belgian Telephone Office since the Belgian Congo achieved independence in 1980. Since it was difficult to cut off the embassy's telephone service, the different governments in Brussels have tolerated the situation and, since the telephone and telex operate constantly between Brussels and Kinshasa, the bill has grown larger and larger,

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now totaling a little over a billion Belgian francs. Consequently, the retiring government has decided to make a final request to Kinshasa. Freddy Willockx, minister of telecommunications, has proposed to Zaire a plan to pay the bill in 4 years, with annual payments of 288 million Belgian francs, the first due on 31 October 1981. This time, the minister used the threat of a halt in service. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2771] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

DIAMOND MONOPOLY--An order from the state commissioner for mines dated 20 August 1981 has entrusted the monopoly over the establishment of counters for the purchase of diamonds produced by the cottage industry in Zaire to SOZACOM [Zairian Company for the Marketing of Ores]. The counters set up by SOZACOM will be managed by mixed teams made up of Zairian diamond experts and expatriates chosen by SOZACOM, on the one hand, and of diamond experts chosen by approved buyers and working under the exclusive direction of SOZACOM. These counters will be set up in areas declared as cottage industry zones of operation by the state commissioner for mines, particularly Tshikapa, Luebo, Demba and Lusambo. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2771] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

TRADE WITH IVORY COAST--On 15 October, contact was made on 15 October in Kinshasa between an Ivorian commercial delegation, headed by David Amuah, director of stock of the Ivorian Foreign Trade Center (CICE), and the officials of the National Association of Zairian Enterprises (ANEZA), as well as those of the International Trade Center of Zaire (CCIZ). Meetings dealt with the way to promote economic and commercial trade between the two countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1877, 30 Oct 81 p 2771] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

COOPERATION WITH GDR--The first session of the GDR/Zaire joint commission was held in Kinshasa from 20 to 24 October. The only perceptible result at the close of the work is the satisfaction expressed by both sides at having held the meeting and having outlined a number of directions in which concrete cooperation could go. The joint commission will next meet in East Berlin next year, but the date has not been determined. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1878, 6 Nov 81 p 2833] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

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ZAMBIA

NEED FOR SOLUTION OF ZAIRIAN, MALAWIAN BORDER DISPUTES NOTED

Paris AFRIQUE-ASIE in French No 252, 9-22 Nov 81 pp 14, 15

[Article by Masautso Masautso--passages enclosed in slantlines printed in italics]

[Text] Zaire and Malawi are trying to present Zambia with a fait accompli in certain provinces known for their wealth of strategic mineral deposits.

Border disputes between Zambia and two of its neighbors have come out into the open in recent weeks, after simmering quietly for some time.

Zambia's prime minister, Nalumino Mundia, said recently that the government would take the problem of its borders with its northern neighbor, Zaire, before the OAU [Organization of African Unity] and the International Court of Justice, unless a friendly solution was rapidly found. And a short while ago, in Parliament, a state minister on the prime minister's staff announced that Zambia was publicly acknowledging its border conflict with its eastern neighbor, Malawi.

Up to now, Zaire has physically occupied the Zambian territory of Kaputa, in Northern Province, and has established customs and immigration posts there, thus reinforcing its claims to those areas. Border posts have been established in Kaputa, at Mutambala, 20 km inside Zambia, and in western Kaputa, at Musaca, 19 km outside the country.

The region in dispute is known for its wealth in strategic ores: platinum, tungsten, and also large quantities of cobalt and copper.

The mineral deposits go all the way into Zairian territory, where large quantities are already being extracted by the Union Miniere (a Belgian company) and an international consortium, the Tenke-Fungurume Mining Company, headed by Anglo-American Charter Consolidated.

On the east, Malawi claims, as an integral part of its territory, the portion of land where the customs and immigration post is located and is demanding the departure of Zambian officials from the region. The Malawians have refused to recognize the colonial boundary, which places the custom post in Zambian territory, and demand that the line be redrawn so that region will revert to them.

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This is the second time Malawi has demanded a part of Zambian territory. About 13 years ago, Malawi's then-president, Kamuzu Banda, asserted that three districts in Zambia's Eastern Province were actually inside Malawi's borders.

Eastern Province is one of the most productive regions of the country. The two countries had only been independent for 4 years and had not yet established diplomatic relations.

Negotiations on the two problems--including summit-level talks--have not up to now brought a solution.

Scars of History

The Zambian borders present one of the most classic examples of the scars of history. Circumscribing a country of 752,615 square kilometers, they were drawn by the colonial powers, which attached little importance to such things as tribal distribution, economic activity or customs, and communication links.

Surrounded by eight countries, Zambia's longest borderline is shared with Zaire--1,800 km. The line runs by the following provinces: Northern, Luapula, Copperbelt and Northwestern. On the Zairian side the same boundary marks the southernmost limit of the province of Shaba (formerly Katanga).

The border with Angola, on the west, is second longest: 1,200 km. Zambia also shares borders with Zimbabwe, Malawi and Mozambique (respectively 750, 600 and 400 km in length).

The current Zambia-Zaire border problems might be considered as a legacy from the colonial era. British officials responsible for administering the distant border regions adjacent to non-English speaking territories tended to have special problems due primarily to the poor communications between them and their counterparts on the other side of the border.

In some cases that anomaly provoked one of the earliest forms of resistance to coercive colonial policies such as the taxation of the natives. Zambian villagers easily escaped the colonial authorities simply by crossing the border, knowing quite well they would not be pursued.

Later, they returned to their villages when calm had returned.

The language barrier was no problem for these rebels, because the villages on the other side of the border belonged to their own ethnic group. The people on both sides in the border regions generally had the same chiefs and even the same relatives.

After 1964, when it became independent, Zambia did not feel itself threatened on the Zairian border, since that country too was independent, unlike Rhodesia, Angola and Mozambique, which were still governed by hostile, racist regimes.

The border problem with Malawi appeared when there were skirmishes between Malawi authorities and members of the Watchtower religious sect (now banned in that country), producing repercussions in Zambia in the form of a wave of refugees arriving

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in Eastern Province. But these refugees, for the most part, tended to pose more of an administrative problem than a border problem, i.e. a political problem, for the two countries.

A more important border dispute flared up in 1968, when Kamuzu Banda declared that all of Zambia's Eastern Province historically belonged to Malawi. That assertion did not seem to be based on the undeniable fact that initially northeastern Zambia had been put under the British colonial control of Nyassaland--the name which Malawi bore before independence. On the contrary, President Banda seemed to insist on the fact that the natural frontiers of the former kingdom of Malawi, for which he named the country at independence, extended over what is now Zambia's Eastern Province.

That claim has very broad implications. In the first place, it raises the issue of national territorial expansion, and secondly it advocates the notion of regrouping the ethnic communities of independent Africa. Carried to an extreme, such a situation would tend to create irredentist policies.

It is necessary to find peaceful solutions to these border problems now, because we have seen how the issue of boundary alterations has been the cause of some of Africa's most explosive conflicts.

The situation which recently developed on the road linking Luapula and Zambia's Northern Province with the Copperbelt could lead to a more serious confrontation between the Zambian and Zairian people. Zambians traversing the Zairian corridor are harassed by that country's customs and immigration officials. Among other things, the Zairians have confiscated merchandise and demanded the payment of transit fees. They have even begun enforcing the international vaccination requirements, whereas previously those formalities had never been taken very seriously.

On Paper

Zambia considers the construction, now under way, of a road linking the three provinces within its borders to be the long-term solution to the problem of communications. Zambia's desire to peacefully coexist with Zaire and Malawi has been shown by its nonbelligerent reaction to the actions of its neighbors.

It is obvious that neither the OAU nor the International Court of Justice can do much more to put a definitive end to the border disputes, since those borders are not marked and, in addition, are poorly defined.

Escalation of the conflict on Zambia's northern and eastern borders must be avoided by bilateral talks, which would thus eliminate the need to resort to formal arbitration. The OAU and the International Court of Justice could certainly find solutions on paper, but not on the ground. It only remains for the peoples and governments of the three countries to realize that it is in the interest of all of them to resolve these disputes quickly and amiably. And this is not easy when one's partners are Mobutu and Banda.

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